

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

NOVEMBER 20, 2006

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Alan Roberts, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Charles Garrett, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Dennis Raffield, THEC
George Brummett, Department of Finance and Administration
Alvin Payne, University of Tennessee
George Criss, University of Tennessee

Mike Morrow, Department of Finance and Administration
Pat Haas, Bond Finance
Mark Wood, Secretary of State's Office
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Bob King, Department of Finance and Administration
Bill Nixon, Askew Nixon Ferguson Architects
Claire Drowota, Select Oversight Committee on Correction
Rob Barrick, Smith Seckman Reid
Marion Fowlkes, Fowlkes Associates Architects
Connie Wallace, AIA Tennessee
John Overly, University of Tennessee
Ed Lake, Department of Human Services
Tom Fusco, Department of Human Services

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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UNIVERSITY OF TENNESSEE

THE UNIVERSITY OF TENNESSEE, KNOXVILLE, TENNESSEE

- 1) Approved a request for a revision in funding from \$13,000,000.00 to \$14,000,000.00 (\$1,000,000.00 increase) of a project for **Thompson Boling Arena Improvements** at the University of Tennessee at Knoxville, and authorization to award a contract to Blaine Construction, Inc., in the amount of \$11,586,250.00, which includes Alternates #1 and #2, based on bids received November 7, 2006.

Revised Estimated Project Cost: \$14,000,000.00
SBC Project No. 540/009-22-2005

TENNESSEE BOARD OF REGENTS

Statewide

- 1) Approved Delivery Order #1 and acknowledgment of sources of funding for **Performance Contracting** at Southwest Tennessee Community College in Memphis, Tennessee.

Estimated Project Cost:	\$ 60,000,000.00
Estimated Delivery Order #1 Cost:	\$ 2,350,000.00
SBC Project No.	166/000-01-2002

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 2.52 +/- acres improved with a 169,000 +/- square foot building- 1 North Front Street, Memphis, TN – Tran. No. 06-09-001 (LW)</u>
Purpose:	Acquisition by Perpetual Easement for a new University of Memphis Cecil C. Humphries School of Law will replace the old facility.
Source of Funding:	Gifts Funds
Estimated Cost:	\$5.3 million
Owner(s):	USPS, current owner who will transfer the property to the City of Memphis, will transfer the property to the State.
Comment:	Agreement of Transfer and Conveyance includes a reversion clause.
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the transaction. Treasurer Sims stated that, while it is a little unconventional, it is an agreed upon process, and moved for approval. The motion was seconded, and passed without objection. Jerry Preston thanked the Attorney General's Office and his legal staff for doing an excellent job and working through the difficult logistics.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Montgomery County – 350 Pageant Lane, Clarksville, TN – Trans. No. 04-08-911 (AL)**

Purpose: To provide office space for county operations

Term: August 1, 2007 thru July 31, 2017 (10 years)

Proposed Amount: 19,247 Square Feet

AVERAGE Annual Contract Rent:

\$240,632.50 @\$12.50/sf

Est. Annual Utility Cost: \$ 26,945.80 @\$ 1.40/sf

Est. Annual Janitorial Cost: \$ 21,171.70 @\$ 1.10/sf

Total Annual Effective Cost: \$288,750.00 @\$15.00/sf

Current Amount: 19,060 Square Feet

Annual Contract Rent: \$162,000.00 @\$ 8.50/sf

Est. Annual Utility Cost: \$ 26,684.00 @\$ 1.40/sf

Est. Annual Janitorial Cost: \$ 20,966.00 @\$ 1.10/sf

Total Annual Effective Cost: \$209,650.00 @\$11.00/sf

Type: New Lease – Negotiated

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Montgomery County, current lessor

Comment: The proposed lease provides (1) Lessor shall make tenant improvements/repairs at no additional cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Staff-Committee for discussion.

SC Action: 11-20-06. Charles Garrett presented the transaction. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – 1023, 1027 & 1029 5th Avenue North/Jefferson Street, Nashville, TN – Trans. No. 06-07-022 (BW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$340,000.00
Owner(s):	Mary Ann Roberts
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told "yes". A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – 501 Jefferson Street, Nashville, TN – Trans. No. 06-07-023 (BW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$295,000.00
Owner(s):	Randolph King
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told "yes". A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description:	<u>Davidson County – .031 +/- acres improved with a 2,340 +/- sf warehouse type building – 401 Jefferson Street, Nashville, TN – Trans. No. 06-07-024 (LW)</u>
Purpose:	Acquisition in Fee to protect the integrity of the Bicentennial Mall
Source of Funding:	Chapter 338 Public Acts 2003
Estimated Cost:	\$322,500.00
Owner(s):	Rodgers & Rodgers General Contractors
SSC Report:	11-13-06. Jurgan Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.
SC Action:	11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told "yes". A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL for DEMOLITION:

Description: Davidson County – .5 +/- acres improved with a 1,066 +/- sf building – 419 Jefferson Street, Nashville, TN – Trans. No. 06-07-025 (LW)

Purpose: Acquisition in Fee to protect the integrity of the Bicentennial Mall

Source of Funding: Chapter 338 Public Acts 2003

Estimated Cost: \$326,650.00

Owner(s): Hoy & Edna Scott

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee with recommendation.

SC Action: 11-20-06. Charles Garrett presented the four Jefferson Street acquisition requests together as one transaction. George Brummett, Budget Office, was recognized and stated that the Facilities Revolving Fund will take care of the debt service in the current year that is associated with the bond. In addition, Mr. Garrett said he would also like to request approval of a fifth tract owned by B & C Investments, and report back to the Subcommittee at their next meeting. He stated that there are two developers interested in offering more than the appraised value for the tracts. He said that one property may have to be condemned and, if so, it would be brought back to them for further approval. Treasurer Sims asked if the estimated costs for the four tracts were in line with the appraisals, and was told "yes". A motion was made, and seconded, to approve the five tracts as presented by Mr. Garrett, and it passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Approved a request for a revision in the estimated project cost and funding and acknowledgment of the source of funding from \$3,400,000.00 to \$5,870,892.00 (\$2,470,892.00 increase) of a project for **Management Assistance**, statewide.

Revised Estimated Project Cost: \$5,870,892.00
SBC Project No. 529/000-09-2003

SPECIAL ITEM

- 1) Mr. Fitts stated that the SBC had asked staff and the design community to periodically review the State's Standard Agreement between Owner and Designer (form SBC-6). **He said he had been contacted by the design community last summer to revisit the fee structure in the standard designer contract.** He introduced Marion Fowlkes of Fowlkes Associates Architects, representing the architectural community; Rob Barrick, President of Smith Seckman Reid, representing the engineering community; and Connie Wallace, representing AIA Tennessee. **Mr. Fitts said they had been gathering historical fee data in the Southeastern states and analyzing other economic factors, and had recently presented recommendations to his office for consideration.**

Mr. Fitts said the contract has not been reviewed since the last changes were adopted in 1999. He said his memo of November 16, 2006 **to the Subcommittee members** provided support documentation for fee increases as well as a fee analysis containing four fee curves. He said the design community had recommended a change to the existing fee curve (27/LogP-2) to a new curve represented by 44/LogP, which provided an increase that raised the fee structure to be more in line with the Southeast average of fees. He said that staff, along with the Tennessee Board of Regents and the University of Tennessee, had developed a fee structure based on the formula, 35/LogP-1.15, which more closely followed the median fee of the Southeastern states. Mr. Fitts said that staff, University of Tennessee and Tennessee Board of Regents recommended this fee change. In addition, the design community had provided data based upon CPI indices that warranted an increase of the current maximum hourly rate of \$125/hr to between \$150-\$160/hr. Mr. Fitts stated that they recommended the following:

1. Adjust the standard fee schedule from 27/LogP-2 to 35/LogP-1.15
2. Adjust the maximum hourly rate from \$125/hr to \$155/hr

Mr. Fitts said he expected the fee increases to become effective for projects **approved and/or approved for funding** by the State Building Commission beginning in January 2007. Commissioner Goetz asked if the new fee schedule was applied to all projects approved or acknowledged by the Legislature in the 2006-2007 Appropriation Bill, what would be the economic impact. Mr. Fitts said that he had not made that calculation, but would do so, and would provide that information to the Subcommittee members. After discussion, the Subcommittee approved recommending the changes as proposed by staff to the existing Standard Form of Agreement Between Owner and Designer (SBC-6) to the full Commission for their consideration and approval.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on October 23, 2006.

SPECIAL ITEMS

- 1) Secretary Darnell brought up from the floor and distributed a handout entitled "Rates for State Work and State Prison Work". He said it didn't require action, but he would like staff to address some of the issues. Charles Garrett said he would look into it.
- 2) Mr. Garrett spoke up and asked that the Subcommittee recognize Alan Robertson, who had recently been promoted and hired as the new Assistant State Architect to Mike Fitts. The Subcommittee acknowledged and congratulated Mr. Robertson.

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Following approval of the Consent Agenda, the meeting adjourned at 11:05 a.m.

CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Robertson County
Transaction: Disposal in Fee
Provision: Waiver of Appraisal
- B. Agency: University of Tennessee – Shelby County
Transaction: Disposal by Easement
Provision: Waiver of Appraisal & Advertisement
- C. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- D. Agency: Tennessee Housing Development Housing – Davidson County
Transaction: Lease Agreement
- E. Agency: Comptroller of Treasury – Maury County
Transaction: Lease Agreement
- F. Agency: Department of Children’s Services – Dickson County
Transaction: Lease Agreement
- G. Agency: Department of Human Services – Dickson County
Transaction: Lease Agreement
- H. Agency: Finance & Administration for Human & Children’s services – Benton County
Transaction: Lease Agreement
- I. Agency: Tennessee Wildlife Resources Agency – Smith County
Transaction: Acquisition in Fee
- J. Agency: Tennessee Wildlife Resources Agency – Dyer County
Transaction: Acquisition in Fee
- K. Agency: Department of Environment & Conservation – Weakley County
Transaction: Acquisition by Easement
- L. Agency: Department of Environment & Conservation – Jackson County
Transaction: Acquisition by Easement
- M. Agency: Department of Environment & Conservation –Warren County
Transaction: Acquisition by Easement

- N. Agency: Department of Environment & Conservation – Sumner County
Transaction: Acquisition by Easement
- O. Agency: Department of Environment & Conservation – Shelby County
Transaction: Acquisition in Fee
- P. Agency: Department of Environment & Conservation – Shelby County
Transaction: Acquisition in Feet
- Q. Agency: Department of Environment & Conservation – Lewis County
Transaction: Acquisition by Easement
- R. Agency: Department of Environment & Conservation – Fayette County
Transaction: Acquisition by Easement
- S. Agency: Department of Environment & Conservation – VanBuren & White Counties
Transaction: Discussion Item
- T. Agency: Department of Children’s Services – Bledsoe County
Transaction: Demolition at Taft Youth Development Center (SBC No. 144/005-02-2006)

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property WAIVER of ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Robertson County - 0.119 +/- acres (20 x 260) – UT Highland Rim Research & Education Center, Springfield, TN – Trans. No. 06-10-007 (GM)</u>
Purpose:	Disposal in Fee for an additional track (passing track). Additional track will allow CSX to park trains when necessary and will allow other trains to pass.
Original Cost to State:	Unknown
Date of Original Conveyance:	1954
Grantor Unto State:	Unknown
Estimated Sale Price:	Fair Market Value
Grantee:	CSX Transportation, Inc.
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Shelby County – 0.0687 +/- acres located at the intersection of Madison Avenue & S. Dudley Street, Memphis, TN – Trans. No. 06-11-001 (GM)</u>
Purpose:	Disposal by Easement for Memphis Light, Gas & Water to relocate utility lines associated with the University's development of the Regional Biocontainment Lab & College of Pharmacy building.
Estimated Sale Price:	Grant for public purpose
Grantee:	Memphis Light, Gas & Water
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

C.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Rutherford County – Lot Number 2, Greek Row, Murfreesboro, TN – Trans. No. 06-11-908

Purpose: To lease of a fraternity house in MTSU Greek Row.

Term: August 1, 2006 thru July 31, 2007 (1 yr with the option to renew for 1 yr.)

Proposed Amount:

<u>13,859 Square Feet</u>		
Annual Contract Rent:	\$ 85,200.00	@ \$ 6.15/sf
Est. Annual Utility Cost:	\$ 19,402.60	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,244.90</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$119,847.50	@ \$ 8.65/sf

Current Amount: None

Type: New Lease

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: MTSU

Comment: Requesting for approval for the option to renew for 1 year. If the two year lease is successful, a long term lease will be considered.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

D.

TENNESSEE HOUSING DEVELOPMENT AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 404 James Robertson Parkway, Floors 10, 11 & 12, Nashville, TN – Trans. No. 06-07-927 (JS)

Purpose: To provide central office space for THDA operations

Term: February 1, 2007 thru January 31, 2012 (5 years)

Proposed Amount:	<u>43,200 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$688,064.00</u>	<u>@\$15.93/sf</u>
	Total Annual Effective Cost:	<u>\$688,064.00</u>	<u>@\$15.93/sf</u>

Current Amount:	<u>43,200 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$598,445.23</u>	<u>@\$13.85/sf</u>
	Total Annual Effective Cost:	<u>\$598,445.23</u>	<u>@\$13.85/sf</u>

Type: New Lease – Advertised – Received two proposals from the current lessor.

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi-tenant

Lessor: NNN Parkway Towers, LLC

Comment: The proposed lease provides (1) Lessor shall make improvements/repairs at no additional cost to the State, (2) Lessor shall provide eight (8) inside parking spaces, (3) Lessor to provide all utilities and janitorial cost at no additional cost to the State and (4) proposed lease has no cancellation except for cause and/or lack of funding.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

E.

COMPTROLLER OF THE TREASURY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Maury County – 2486 Park Plus Drive, Suite B, Columbia, TN – Trans. No. 06-04-903 (RS)

Purpose: To provide office space for the Division of Property Assessment

Term: January 1, 2007 thru December 31, 2016 (10 years)

Proposed Amount:	<u>2,896 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$24,600.00</u>	<u>@\$8.49/sf</u>
	Total Annual Effective Cost:	\$24,600.00	@\$8.49/sf

Current Amount:	<u>2,896 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$21,300.00</u>	<u>@\$7.36/sf</u>
	Total Annual Effective Cost:	\$21,300.00	@\$7.36/sf

Type: New Lease – Advertised – Received four (4) proposals from two (2) proposers.

FRF Rate: \$13.50 per square foot

Purchase Option: No – Multi-tenant

Lessor: Richard Thompson, current lessor

Comment: The proposed lease provides (1) Lessor shall make improvements/repairs at no additional cost to the State, (2) Lessor to provide all utilities and janitorial services at the additional cost to the State and (3) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-days thereafter.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

F.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Dickson County – 222 State Street, Suite A, Dickson, TN – Trans. No. 05-08-904 (RS)

Purpose: To provide office space for county operations

Term: January 1, 2008 thru December 31, 2017 (10 years)

Proposed Amount:	<u>10,832 Square Feet</u>		
	Annual Contract Rent:	\$100,800.00	@ \$ 9.31/sf
	Est. Annual Utility Cost:	\$ 15,164.80	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 11,915.20</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$127,880.00	@ \$11.81/sf

Current Amount:	<u>8,500 Square Feet</u>		
	Annual Contract Rent:	\$72,252.00	@ \$ 8.50/sf
	Est. Annual Utility Cost:	\$11,900.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,350.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$93,502.00	@ \$11.00/sf

Type: New Lease – Advertised – Received two (2) conforming proposals and two (2) non-conforming proposals. Conforming proposals was from the current lessor.

FRF Rate: \$12.50 per square foot

Purchase Option: Yes – 1 thru 10 years

Lessor: Charles T. Stokes, current lessor

Comment: The proposed lease provides (1) Lessor shall add addition of 1,170 sf to existing 9,662 sf. including tenant improvements/repairs at no additional cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

G.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Dickson County – 250 State Street, Suite B, Dickson, TN – Trans. No. 05-12-906 (RS)

Purpose: To provide office space for county operations

Term: January 1, 2008 thru December 31, 2017 (10 years)

Proposed Amount:	<u>7,812 Square Feet</u>		
	Annual Contract Rent:	\$ 75,000.00	@ \$ 9.60/sf
	Est. Annual Utility Cost:	\$ 10,936.80	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,593.20</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 94,530.00	@ \$12.10/sf

Current Amount:	<u>6,000 Square Feet</u>		
	Annual Contract Rent:	\$51,000.00	@ \$ 8.50/sf
	Est. Annual Utility Cost:	\$ 8,400.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$66,000.00	@ \$11.00/sf

Type: New Lease – Advertised – Received two (2) conforming proposals and two (2) non-conforming proposals. Conforming proposals was from the current lessor.

FRF Rate: \$12.50 per square foot

Purchase Option: Yes – 1 thru 10 years

Lessor: Charles T. Stokes, current lessor

Comment: The proposed lease provides (1) Lessor shall add addition of 1,856 sf to existing 5,956 sf. including tenant improvements/repairs at no additional cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

H.

DEPARTMENT OF FINANCE & ADMINISTRATION for
HUMAN & CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Benton County – 264 Highway 641 North, Camden, TN – Trans. No. 06-01-914 (AL)**

Purpose: To provide office space for county operations

Term: January 1, 2008 thru December 31, 2017 (10 years)

Proposed Amount:	<u>5,400 Square Feet</u>		
	Annual Contract Rent:	\$50,400.00	@ \$ 9.33/sf
	Est. Annual Utility Cost:	\$ 7,560.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,940.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$63,900.00	@ \$11.83/sf

Current Amount:	<u>4,508 Square Feet</u>		
	Annual Contract Rent:	\$23,500.00	@ \$5.21/sf
	Est. Annual Utility Cost:	\$ 6,311.20	@ \$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,958.80</u>	<u>@ \$1.10/sf</u>
	Total Annual Effective Cost:	\$34,770.00	@ \$7.71/sf

Type: New Lease – Advertised – First advertisement received no conforming proposals. Re-advertised second time received one (1) proposal.

FRF Rate: \$12.50 per square foot

Purchase Option: No

Lessor: Michelle Harrison & Tonya Reynoldson of Camden Eye Care Associates, PC

Comment: The proposed lease provides (1) Lessor shall construct a new built to suit building including tenant improvements/repairs at no additional cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 11-13-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Smith County – 3.95 +/- acres – improvements on the Caney Fork River, Gordonsville, TN – Trans. No. 06-10-010 (RJ)

Purpose: Acquisition in Fee to allow public access to the Caney Fork River

Source of Funding: Federal Wallop-Breaux - \$129,000
TWRA License dollars - \$43,000

Owner(s): Gary L. Croslin

SSC Report: 11-13-06. Jorgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Dyer County – 47 +/- acres – adjoining Tigrett Wildlife Management Area, Dyersburg, TN – Trans. No. 06-10-018 (RJ)

Purpose: Acquisition in Fee for this tract is joined on two sides by State property and will be acquired under the wetland acquisition program.

Source of Funding: Wetland Funds

Owner(s): David Guthrie

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

K.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following ACQUISITION by EASEMENT of interest in real property with WAIVER OF APPRAISALS as required by TCA 4-15-102 and 12-2-106.

Description: **Weakley County – 1,495 +/- acres – located near Middle Fork Obion River – Trans. No. 06-10-009(JB)**

Purpose: Acquisition by Easement to donated conservation easements will reduce the possibility of catastrophic flooding near Dresden, TN.

Estimated Cost: Gift

Grantee: West Tennessee River Basin Authority

Grantors: Robert Moele-512 acres, Ben Dial-137.3 acres, Bobby Henry-42 acres, Elihu Meador-35 acres, Robert Owen-12.4, James Tucker-46.2, Connie Hawkins-25.8 acres, Calvin Shofe-38.3 acres, Charles Culver-165.2 acres, Lemuel Meador-10 acres, Lucille Jackson-30.5 acres, Beverly Bell-13.1 acres, Joe Wilbank-80.9 acres, Robert Gibson 53.8 acres, Oliver Bros., Inc.-159.4 acres, Oliver Farms-33 acres, and Kenneth Wright-14.3 acres.

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISALS not to exceed the appraised value for the property being acquired:

Description:	<u>Jackson County – 73 +/- acres – Washmorgan Hollow, Gainesboro, TN – Trans. No. 06-10-006 (GM)</u>
Purpose:	Acquisition by Easement to donate conservation easements over their 4 designated State Natural Areas (SNA) to which the state has no legal interest.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Gift
Owner(s):	Tennessee Nature Conservancy
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

M.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISALS not to exceed the appraised value for the property being acquired:

Description: Warren County – 50 +/- acres – Hubbard’s Cave, McMinnville, TN – Trans. No. 06-10-011 (GM)

Purpose: Acquisition by Easement to donate conservation easements over their 4 designated State Natural Areas (SNA) to which the state has no legal interest.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Gift

Owner(s): Tennessee Nature Conservancy

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISALS not to exceed the appraised value for the property being acquired:

Description:	<u>Sumner County – 173.0 +/- acres –Taylor Hollow, Westmoreland, TN – Trans. No. 06-10-012 (GM)</u>
Purpose:	Acquisition by Easement to donate conservation easements over their 4 designated State Natural Areas (SNA) to which the state has no legal interest.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Gift
Owner(s):	Tennessee Nature Conservancy
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISALS not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 18.8 +/- acres in two parcels – Memphis, TN – Trans. No. 06-10-013 (FB)</u>
Purpose:	Acquisition in Fee with the property owned by CORPS of Engineers and totally surrounded by TO Fuller State Park. CORP would transfer to the State since the property is surplus to their needs
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	\$1,500
Owner(s):	US Department of Army, Corps of Engineers
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – .17 +/- acres tract – W E Jones Subdivision, Memphis, TN – Trans. No. 06-10-014 (FB)</u>
Purpose:	Acquisition in Fee of a subdivision lot that is a in-holding in the T O Fuller State Park.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	\$5,000
Owner(s):	Charles Ward
SSC Report:	11-13-06. Jorgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Lewis County – 23 +/- acres – Langford Branch State Natural Area, Hohenwald, TN – Trans. No. 06-10-016 (FB)</u>
Purpose:	Acquisition by Easement to donate conservation easements over their designated State Natural Area (SNA) to which the state has no current legal interest.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	\$15,000
Owner(s):	Swan Conservation Trust
SSC Report:	11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.
SC Action:	11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette County – 400 +/- acres – William B. Clark State Natural Area, Somerville, TN – Trans. No. 06-10-017 (FB)

Purpose: Acquisition by Easement to donate conservation easements over their designated State Natural Areas (SNA) to which the state has no current legal interest.

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$25,000

Owner(s): Tennessee Nature Conservancy

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

S.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM:

Requesting approval to utilize the services of a third party to acquire 181 +/- acres identified as Scott's Pinnacle in Van Buren and White County. This tract is currently for sale by Bowater, Inc. for \$398,200. We are requesting allowing the 3rd party to hold the property until TDEC can get the necessary funding and approvals in place to acquire this property from them in the very near future. TDEC was only made aware of this tract a few days ago and has not had the opportunity to prepare for this acquisition. This is another critical property because of its close proximity to other state properties.

SSC Report: 11-13-06. Jurgen Bailey summarized the transaction. Staff referred to sub-Committee for consent agenda.

SC Action: 11-20-06. Subcommittee approved the request as presented.

DEPARTMENT OF CHILDREN'S SERVICES

TAFT YOUTH DEVELOPMENT CENTER, PIKEVILLE, TENNESSEE

- 1) Approved a project to **Demolish Alcohol & Drug Program Building** at Taft Youth Development Center, Pikeville, using inmates from Southeast Tennessee Regional Correctional Facility, at no cost to the State, subject to approval by the Tennessee Historical Commission.

Estimated Project Cost: \$0.00
SBC Project No. 144/005-02-2006

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration